

REPORT BY THE  
AUDITOR GENERAL  
OF CALIFORNIA

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**THE OFFICE OF THE STATE ARCHITECT  
SPENT MORE THAN AUTHORIZED FOR  
SOME STATE CONSTRUCTION PROJECTS**

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REPORT BY THE  
OFFICE OF THE AUDITOR GENERAL

P-476

THE OFFICE OF THE STATE ARCHITECT  
SPENT MORE THAN AUTHORIZED FOR  
SOME STATE CONSTRUCTION PROJECTS

MARCH 1985



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STATE OF CALIFORNIA  
**Office of the Auditor General**

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March 21, 1985

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Honorable Art Agnos, Chairman  
Members, Joint Legislative  
Audit Committee  
State Capitol, Room 3151  
Sacramento, California 95814

Dear Mr. Chairman and Members:

The Office of the Auditor General presents its report that indicates the Office of the State Architect violated state laws and fiscal controls when it spent more than it was authorized to spend on state construction projects. Specifically, the Office of the State Architect spent more than the Department of Finance authorized it to spend on at least one phase of 71 of the 192 construction projects funded in fiscal years 1981-82 through 1983-84. Furthermore, on 9 of these 71 projects, the Office of the State Architect spent more than the Legislature appropriated for these projects.

We conducted this audit to comply with Item 1760-001-666 of the Supplemental Report of the 1984 Budget Act.

Respectfully submitted,

  
THOMAS W. HAYES  
Auditor General

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## SUMMARY

The Office of the State Architect (State Architect) has spent more than authorized on some state construction projects. In spending more than authorized, the State Architect violated state law and state fiscal controls designed to prevent state agencies from using state funds for unauthorized purposes and from spending more than amounts authorized.

The State Architect spent more than the Department of Finance authorized on at least one phase of construction in 71 of the 192 major construction projects funded in fiscal years 1981-82 through 1983-84. Furthermore, in 9 of the 71 projects, the State Architect spent more than the Legislature appropriated either for a phase of a project or for the total project. For these 9 projects, the State Architect spent over \$200,000 more than the Legislature appropriated. For example, the State Architect spent \$97,300 to prepare a budget estimate, preliminary plans, and working drawings for remodeling a state office building. The Department of Finance, however, had authorized the State Architect to spend \$7,200 for the budget phase, and the Legislature had appropriated \$50,800 for the State Architect to prepare preliminary plans and working drawings. Thus, the State Architect exceeded the amount authorized and appropriated by \$39,300.

We identified some of the factors that can cause the State Architect to need more funds than authorized to complete a project or phase of a project. While some of the factors can increase the cost of a project, other factors can reduce the amount of time that the State Architect has available to work on a project. For example, unforeseen factors such as construction delays and contractor claims for more money can increase the cost of a project. On the other hand, the State Architect may be funded for less than it estimates it needs to perform its services. Consequently, the State Architect has less time available to complete a project than it estimated it needed.

In the 71 projects in which the State Architect spent more than amounts authorized, the State Architect continued to work on the projects even though it did not have sufficient funds to complete the projects or phases of the projects. According to the Deputy State Architect and the Chief of Architecture and Engineering, the State Architect continued work either because management and project managers were not aware that they were spending more than authorized or so that the projects could proceed on schedule. Stopping work to obtain additional funds would have delayed the projects and would have resulted in higher costs to the State. However, in February 1984, the State Architect adopted a new policy to stop work on projects before it spends more than amounts authorized.

To prevent spending more than authorized, the Office of the State Architect should closely monitor and control project costs. When completion of a project or a phase of a project requires more money than authorized, the State Architect should obtain approval from the Department of Finance before spending additional funds.

## INTRODUCTION

The Office of the State Architect (State Architect) has overall responsibility for the design and construction of state buildings. The State Architect provides architectural and engineering services and is reimbursed for the services from funds appropriated by the Legislature for specific construction projects.

### The Funding for Construction Projects

The process for constructing state buildings involves the following four phases: budget, preliminary plans, working drawings, and construction. Before the Legislature appropriates funds for a construction project, the Department of Finance authorizes the State Architect to prepare a project budget and authorizes funds for the State Architect to complete this budget. The budget, which is the first phase of a construction project, contains the State Architect's initial estimate of a project's cost. The estimate includes the cost of construction as well as the cost of the State Architect's architectural and engineering services. The budget may also include diagrams and schematic plans of the project and an outline that specifies the type of construction and the materials to be used.

The Legislature uses this initial budget to determine whether to authorize and appropriate funds for the project. If the Legislature decides to authorize the project, it bases its appropriation on the

State Architect's estimate of the project's cost and on an amount recommended by the Legislative Analyst. However, the amount appropriated and the purpose of the appropriation may vary. For example, the Legislature may make one appropriation for the entire cost of the project or may make separate appropriations for specific phases of the project. The method of appropriating funds depends largely on the size of the project.

After the Legislature appropriates funds for a project, the Department of Finance authorizes the State Architect to work on a phase of a project and authorizes the amount of money that the State Architect can spend to complete the work. The Department of Finance then authorizes the funds for the State Architect to complete the work authorized.

The second phase of a construction project is the preparation of preliminary plans. These plans incorporate all pertinent information necessary to describe the project. This information may include a site plan, floor plans, building elevations, building dimensions, and a cost estimate. The Department of Finance may authorize the State Architect to prepare preliminary plans before the Legislature appropriates funds for a project. The Public Works Board must approve the preliminary plans to ensure that the project meets the Legislature's intent.



After the Public Works Board approves the preliminary plans, the Department of Finance can authorize work and authorize funds for the third phase of a project, preparation of construction documents (working drawings). The working drawings comprise a complete set of plans and specifications that describe the architectural, civil, mechanical, structural, electrical, and landscape work that must be done on the project. Contractors must have a complete set of plans so that they can accurately bid on the construction work for the project. The working drawings also contain a final estimate of the total cost of the project.

The construction phase is the fourth and final phase of a project. Contractors submit competitive bids to the State Architect for most construction projects. If bids for the project are acceptable, the Department of Finance authorizes funds for construction, and the State Architect prepares and enters into a construction contract with the lowest qualified bidder. The funds authorized for construction include an amount for the construction contract as well as an amount for the State Architect's architectural and engineering services which include the State Architect's cost to administer the contract during the construction phase.

Whenever the Department of Finance authorizes funds for a construction project for a state agency, the State Controller transfers funds from the state agency's capital outlay appropriation to the Department of General Services' Architecture Revolving Fund. Before

transferring the funds, the State Controller verifies that the transfer has been properly authorized and that there are sufficient funds available to be transferred. The State Controller then transfers the funds to the Architecture Revolving Fund to be used to pay for expenditures on a project.

The Department of General Services maintains a record of all work that the Department of Finance has authorized for a project and the funds that the Department of Finance has authorized to complete the work. This record is known as the project workorder. The Department of General Services accounts for expenditures by the project workorder.

If the State Architect anticipates that expenditures for a project may exceed the amount that the Department of Finance authorized, the State Architect may request additional funds. If the State Architect anticipates spending more than the amount authorized and the amount authorized is less than the amount that the Legislature appropriated and if the anticipated expenditure does not exceed the amount appropriated, the Department of Finance can authorize additional funds for the project. However, if the State Architect anticipates spending more than authorized and the amount authorized is equal to the amount that the Legislature appropriated, the State Architect must request a budget augmentation.

The Department of Finance can augment the amount appropriated by \$50,000 or 10 percent over the appropriation, whichever is less. If

the amount requested is larger than the Department of Finance can authorize, the Public Works Board can authorize an augmentation up to 20 percent over the appropriation. Augmentations may only be made up to 20 percent over the appropriation; any additional funds for a project must be made available by another legislative appropriation.

Before September 1984, the State Architect could obtain budget augmentations for the cost of the construction contract only; the State Architect could not obtain augmentations for the cost of its architectural and engineering services. However, Section 13332.11 of the California Government Code, which the Legislature amended effective September 1984, now allows the State Architect to obtain augmentations for its architectural and engineering services.

#### SCOPE AND METHODOLOGY

We reviewed the records of the Office of the State Architect to identify projects in which the State Architect spent more than amounts authorized by the Department of Finance. We also attempted to determine who made the decisions to spend more than was authorized for those projects. Our review covered fiscal years 1981-82, 1982-83, and 1983-84.

To determine if the State Architect spent more than the Department of Finance authorized it to spend on any phase of construction projects, we reviewed the accounting records for all 192

workorders that the State Architect established for major construction projects funded during the three fiscal years. The State defines "major construction projects" as projects that cost over \$200,000. The Legislature appropriated over \$200 million for these projects. Forty-nine projects had been completed at the time of our review. As of June 30, 1984, the State Controller had transferred approximately \$88 million to the Architecture Revolving Fund to pay for these projects.

We considered the State Architect to have spent more than authorized when the amount of the State Architect's cumulative expenditures for a project at the completion of any phase of the project exceeded the cumulative amount authorized for the project at the completion of that phase. For example, the total cumulative expenditures at the end of the preliminary plan phase comprised the sum of the expenditures for the budget phase and the preliminary plan phase. The total cumulative funds authorized at the end of the preliminary plan phase comprised the sum of the funds authorized for the budget phase and the preliminary plan phase.

To determine who authorized expenditures that exceeded the authorized amounts, we interviewed the Deputy State Architect, the State Architect's Chief of Architecture and Engineering, and managers of individual projects. We also interviewed the Chief of the Department of Finance's Capital Outlay Unit to determine if the State Architect requested approval to spend more than authorized.

In addition, we reviewed applicable laws, regulations, and administrative procedures, and we obtained a legal opinion from the Legislative Counsel to determine if state law permits the State Architect to spend more than authorized on any project or project phase. We did not review the State Architect's procedures for estimating the cost of projects, and we did not attempt to identify all the factors that caused expenditures for projects to exceed the amounts authorized.

## AUDIT RESULTS

### THE OFFICE OF THE STATE ARCHITECT SPENT MORE THAN AUTHORIZED ON SOME STATE CONSTRUCTION PROJECTS

In 71 of the 192 major construction projects funded during fiscal years 1981-82 through 1983-84, the Office of the State Architect (State Architect) spent more than the Department of Finance authorized. In 9 of the 71 projects, the State Architect spent more than the Legislature appropriated. For these 9 projects, the expenditures exceeded the appropriations by over \$200,000. Such overspending violates fiscal controls established to prevent state employees from spending funds for unauthorized purposes and from spending more than the Legislature appropriates for specific purposes. Some factors can cause the State Architect to have less time than it estimated it needed to complete a project and other factors can increase the cost of a project. Unforeseen factors such as construction delays, inefficient use of staff, and contractor claims for more money can cause costs to exceed the State Architect's estimates. To prevent or reduce construction delays, which can increase overall construction costs, the State Architect continued to work on projects, even without approval from the Department of Finance. Since February 1984, however, the State Architect has adopted a new policy to stop work on projects before spending more than the amounts authorized. Finally, the State Architect did not effectively monitor the costs incurred on projects, and its management information system does not provide timely

information on the costs of projects. Consequently, the State Architect was not aware that the costs of some projects exceeded the amounts authorized.

#### The State Architect Violated Fiscal Controls

State law and fiscal controls forbid state agencies to spend state funds for purposes not designated by the Legislature unless the Department of Finance authorizes the expenditures. However, the State Architect spent more than authorized on phases of 71 major construction projects without obtaining Department of Finance approval.

#### State Fiscal Controls

The State has established fiscal controls that are designed to prevent state employees from spending state funds for purposes not designated by the Legislature and to prevent state employees from spending more than appropriated. The Legislature, through the annual Budget Act, determines the amounts that agencies can spend and the purposes for which agency funds can be used. Section 13323 of the California Government Code allows agencies to use state funds for purposes not designated by the Legislature only after receiving approval from the Department of Finance. Furthermore, Section 14957 of the code specifies that money deposited in the Architecture Revolving Fund be used for the purposes that the Legislature designated in the appropriations.

Other state laws also establish fiscal controls. For example, Section 32 of the Budget Act establishes a fiscal control to prevent state employees from making any expenditure that exceeds an appropriation without first receiving approval from the Department of Finance. Section 13324 of the California Government Code and Board of Control Rule 614 prohibit state employees from making any expenditure that exceeds the amount appropriated. According to Section 13324 of the Government Code, any state employee who makes an expenditure that is not authorized is personally liable for the amount not authorized.

Unauthorized Expenditures  
by the State Architect

The State Architect violated fiscal controls when, in at least one phase of 71 of 192 state construction projects, it spent more than the Department of Finance authorized.\* The State Architect paid for unauthorized work by using funds transferred to the Architecture Revolving Fund for other projects. In 9 of the 71 projects, the State Architect not only spent more than the Department of Finance authorized for certain phases, it spent more than the Legislature had appropriated. For 6 of the projects, the State Architect spent more money than appropriated for the phases of the projects; in 3 other projects, the State Architect spent more than the total appropriation

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\*This total includes four projects in which contractors filed claims for and obtained approval to receive more money. Because the amounts awarded for the claims exceeded the funds available in the project workorders, the State Architect had to request augmentations to pay the contractors' claims.



for the project. The State Architect's expenditures exceeded the total amount appropriated for the phases and projects by over \$200,000. (The appendix to this report lists by workorder the individual projects in which the State Architect's expenditures exceeded the amounts authorized or appropriated.)

The following example illustrates the State Architect's unauthorized expenditures in construction projects. The Department of Finance authorized the State Architect to spend \$7,200 to prepare a budget estimate for remodeling a state building, and the Legislature appropriated an additional \$50,800 for the State Architect to prepare preliminary plans and working drawings for the remodeling project. However, the State Architect spent a total of \$97,300 for these three phases, \$39,300 more than the Department of Finance authorized and the Legislature appropriated.

The phase in which the State Architect's expenditures most often exceeded authorized amounts was the budget phase. The largest overexpenditures, however, were in the working drawing and construction phases. Table 1 below shows the number of projects in which the State Architect's cumulative expenditures at the end of each of the four phases exceeded the cumulative amounts authorized at the end of each of the four phases. The table also shows the average amounts and the range of unauthorized expenditures at the end of each phase.

TABLE 1

**CONSTRUCTION PROJECTS HAVING UNAUTHORIZED EXPENDITURES AT EACH PHASE,  
AVERAGE UNAUTHORIZED EXPENDITURE AT THE END OF EACH PHASE,  
AND RANGE OF UNAUTHORIZED EXPENDITURES AT THE END OF EACH PHASE**

<u>Phase</u>	<u>Number of Projects Having Unauthorized Expenditures</u>	<u>Average Unauthorized Expenditure</u>	<u>Range of Unauthorized Expenditures</u>
Budget	41	\$ 2,100	\$100 to \$ 12,500
Preliminary Plans	7	\$ 2,700	\$100 to \$ 9,200
Working Drawings	24	\$15,900	\$300 to \$ 78,700
Construction	10	\$38,400	\$1,400 to \$220,900

Factors That Can Cause Expenditures  
To Exceed Amounts Authorized

Although the scope of our review did not include analyzing all factors that caused the State Architect to spend more than authorized, we did identify some of the factors that can cause the State Architect to spend more than authorized to complete a phase of a project. These factors include unforeseen construction delays, and contractor claims for additional money. Other factors can result in the State Architect's having less time than it estimates it needs to perform its services. For example, if the amount of funding is less than the State Architect estimated it would need, the State Architect will have fewer hours than estimated to perform its services.

According to the State Architect's Chief of Architecture and Engineering, unforeseen factors can cause the cost of a project to exceed the State Architect's estimate. These factors include problems that develop on a project, design changes, and inefficient use of staff. Costs may also increase because of construction delays caused by bad weather and unforeseen construction problems.

Contractor claims for additional money is another factor that can increase the cost of a project. In 10 projects, the State Architect spent more than authorized at the construction phase. Overspending on 4 of these projects occurred because the contractors on the four projects filed claims for and received more money.

The State Architect's Claims Review Board hears disputes between the State and the contractors. During construction or at the completion of a construction project, general contractors and subcontractors may file claims with the Claims Review Board to be paid more money. The board reviews the claims and decides if the contractor's claim is justified. If the board finds that the contractor's claim is justified, the board recommends to the State Architect that the claim be approved. The State Architect then determines the amount that the contractor is to receive. Contractors who are not satisfied with the decision can appeal the decision to the Office of Administrative Hearings.

According to the State Architect's Chief of Administration, the claims and appeals usually involve disputes between the contractor and the State Architect's inspectors over whether certain work that the contractor performed was specified in the contract. When disputes arise over the amount of work specified in a contract, the State Architect and the contractor try to resolve the disputes. In some instances in which they are unable to reach an agreement, the State Architect may require the contractor to perform the work that is in dispute. The contractor then can file a claim when the contract is completed.

The State Architect pays contractor claims out of the funds available in the project workorder. However, when the State Architect does not have sufficient funds in the workorder to pay the claims, the State Architect must request a budget augmentation to pay the contractor.

On four projects, the State Architect spent more than authorized at the construction phase because it had to pay contractor claims arising from disputed work. For example, one claim involved a dispute between the State Architect and a painting contractor over the number of walls that the contract required the contractor to paint at a state hospital project. Unable to settle the dispute, the State Architect's inspector required the contractor to paint the walls the inspector thought the contract specified. The contractor then filed a claim over this issue. When the State Architect's Claims Review Board

denied the claim, the contractor appealed the ruling to the Office of Administrative Hearings. The Office of Administrative Hearings ruled in favor of the contractor and awarded the contractor approximately \$260,000. At that time, approximately \$40,000 was available in the workorder; consequently, the State Architect had to obtain a budget augmentation for the additional \$220,000 to pay the contractor's claim.

Besides factors that can cause expenditures to exceed amounts authorized, other factors can cause the State Architect's having less time than it estimated it needed to perform its services. The amount of money authorized for the State Architect's services on a project represents the amount of time that the State Architect can spend on a project. The State Architect estimates the cost of its services by estimating the number of hours it will need to complete the project and multiplying the number of hours by its estimate of the hourly cost of the services. Two factors, however, can result in the State Architect's having less time than estimated to perform the services: the amount of funding is less than the State Architect estimated or the hourly cost is higher than the State Architect estimated.

After the State Architect estimates the cost of a project, the Legislative Analyst reviews the estimate and recommends to the Legislature an amount to fund the project. The Legislature appropriates funds for the project based on the State Architect's estimate and the Legislative Analyst's recommendation. The amount appropriated may be less than the State Architect's estimate;

consequently, the State Architect will have less time than it estimated it needed to perform the services.

Similarly, the State Architect will have less time than it estimated it needed if the hourly cost of its services is higher than it estimated even if the amount funded for a project is equal to the State Architect's estimate. Any increases in the hourly cost of the State Architect's services above the hourly rate that the State Architect used in estimating its costs will deplete the authorized funds in fewer hours than estimated. Consequently, the State Architect will have available less time than it estimated to complete a project.

The State Architect's Practice  
Has Been To Complete Phases Even When  
Expenditures Exceed Authorized Amounts

We were asked to identify persons who approved spending more than the Department of Finance had authorized for construction projects. Although we did not identify any staff who formally approved overspending, we did determine that the State Architect's practice before February 1984 was to complete project phases even though the cost of those phases would exceed the amount authorized. According to the Deputy State Architect and the Chief of Architecture and Engineering, the State Architect's responsibility was to complete the project phases so that construction projects could proceed on schedule. Because stopping work to obtain additional funds would have delayed the projects and because such delays would have ultimately resulted in

higher construction costs to the State, the State Architect continued working to complete the phases of projects. In some instances, management and project managers were not aware that they were spending more than authorized for the project phases because the State Architect's management information system does not provide timely information on the costs of projects.

We also determined that the State Architect has not adequately monitored the cost of some projects. The State Architect's Chief of Architecture and Engineering told us that he was not aware that expenditures for some projects exceeded the amounts authorized because he did not closely monitor the cost of the projects. In addition, some staff responsible for monitoring project costs did not routinely do the monitoring. As a result, the staff did not notify the State Architect's management when expenditures exceeded amounts authorized for a phase of a project.

In February 1984, the State Architect adopted a new policy to stop work on projects before it spends more than the authorized amounts. The State Architect implemented this policy after the Department of Finance notified the State Architect that employees could be held personally liable for expenditures that exceed amounts authorized. The State Architect informed all staff not to spend more than authorized on a project. When this policy was implemented, the State Architect's Chief of Architecture and Engineering ordered work stopped on 12 projects.

In addition, the State Architect is currently implementing a new system to improve its monitoring of project costs. The new system will include a new management information system to provide more timely information on the cost of projects. Also, the State Architect's management has informed its managers of individual projects that they will be required to monitor project costs and to notify management when a project may go over the amounts budgeted.

### CONCLUSION

The Office of the State Architect spent more than the Department of Finance authorized it to spend on at least one phase of 71 of the 192 major construction projects funded in fiscal years 1981-82 through 1983-84. On 9 of these 71 projects, the State Architect spent more than the Legislature had appropriated for the projects or project phases. This overspending violated fiscal controls established to prevent state employees from spending funds for unauthorized purposes and from spending more than the Legislature appropriates.

Factors that can cause the State Architect to need more funds than authorized include the factors that cause the State Architect to have less time available to complete a project than it estimated it needed and factors, such as construction delays, inefficient use of staff, and contractor claims for more money, that can increase the cost of a project.



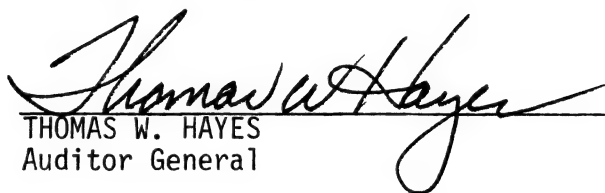
Before February 1984, in instances when the State Architect did not have sufficient funds to complete a project, it continued to work on project phases even though it was spending more than authorized for the phases. The State Architect did not seek prior approval to spend additional funds because management was often unaware that the State Architect was spending more than authorized or because stopping work to obtain additional funds would have delayed the projects, resulting in higher costs to the State. The State Architect, however, has adopted a new policy to stop working on projects before it spends more than amounts authorized.

#### RECOMMENDATIONS

To avoid spending more than authorized amounts, the Office of the State Architect should closely monitor and control project costs and should obtain proper authorization when additional funds are required to complete a construction project or phase of a project.

We conducted this review under the authority vested in the Auditor General by Section 10500 et seq. of the California Government Code and according to generally accepted governmental auditing standards. We limited our review to those areas specified in the audit scope section of this report.

Respectfully submitted,

  
THOMAS W. HAYES  
Auditor General

Date: March 18, 1985

Staff: Eugene T. Potter, Audit Manager  
Michael A. Edmonds



## State and Consumer Services Agency

OFFICE OF THE SECRETARY  
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March 13, 1985

Mr. Thomas W. Hayes  
Auditor General  
660 "J" Street, Suite 300  
Sacramento, CA 95814

Dear Mr. Hayes:

Auditor General's Report: "The Office of the State Architect Spent  
More than Authorized for Some State Construction Projects"

I am informed that there is no substantial disagreement between your staff and that of the State Architect with the findings, conclusions and recommendations contained in your draft report.

While we concur that past practice did result in expenditures improperly exceeding authorizations for some projects, we wish to emphasize that decisive action was taken by this Administration to correct a long-standing problem. Your report correctly identified that, as of February 1984, the State Architect issued a policy to stop work on projects before funds are over-expended. The report also correctly identifies that the antiquated data system which provides cost information for monitoring by the State Architect can be out-of-date by as much as six weeks. To correct this problem, the State Architect initiated the development of an up-to-date automated office information system that will provide daily updates of expenditures. I am pleased to report that acquisition of this system was recently approved by this office and the Department of Finance. This automated management information system includes many features which will enhance the financial monitoring and cost control capability of OSA with regard to design and construction projects in the future.

Capital outlay projects typically extend over a number of years and are subject to legislative oversight and change. Of the 192 projects studied in the report all but seven were initiated during the previous Administration. A significant number of others are still in process so that over-expenditures

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DEPARTMENTS AND PROGRAMS OF THE AGENCY

-23-

Building Standards Commission • Consumer Affairs • Fair Employment & Housing • Fire Marshal  
Franchise Tax Board • General Services • Museum of Science & Industry • Personnel Board  
Public Broadcasting Commission • Public Employees' Retirement System  
Statewide Compliance Coordination • Teachers' Retirement System • Veterans Affairs

from earlier phases may still be offset by savings in the construction phase by careful project management and control. It is significant to note that while 71 of the projects exceeded authorized expenditure levels in one or more phases, 62 of the 71 were completed within the total project appropriation by adjusting expenditures in the later phases.

The State Architect has informed me that Michael Edmonds and Eugene Potter of your staff have met with OSA staff to insure that the report was technically and factually correct. We, therefore, have no further comment or rebuttal.

I would like to take this opportunity to commend your staff for the courtesy and cooperation extended throughout the audit and for their sincere desire to understand the complexities and problems of the capital outlay program.

I am confident that the State Architect is effectively fulfilling his role by correcting past problems, implementing sound operational and management policy and developing state facilities based on cost effective design and responsible cost estimates. The above-mentioned policy to stop jobs before funds are over-expended combined with the improved automated cost monitoring capability soon to be implemented should effectively eliminate a recurrence of the problems of the past.

Sincerely,

  
SHIRLEY R. CHILTON  
Secretary of the Agency

cc: W. J. Anthony, Director, Department of General Services

## **APPENDIX**

**PROJECTS AND PHASES AT WHICH THE  
OFFICE OF THE STATE ARCHITECT  
SPENT MORE THAN AMOUNTS AUTHORIZED OR APPROPRIATED  
FISCAL YEARS 1981-82 THROUGH 1983-84**

Project Workorder	Expenditures That Exceeded Authorizations			Expenditures That Exceeded Appropriations		
	Amount Overspent at Budget Phase	Cumulative Amount Overspent at End of Preliminary Plan Phase	Cumulative Amount Overspent at End of Working Drawing Phase	Cumulative Amount Overspent at End of Construction Phase	Amount Over Appropriation For Phase	Amount Over Total Appropriation For Project
AIS203	\$ 4,600					
AIS204	\$ 9,800			\$ 1,400		
AIS206	\$ 5,700			\$ 3,200		\$ 3,900*
CHO105	\$ 2,000					
CHO109		\$ <100				
CHO80801		\$ 300				
CHO907	\$ 1,700		\$12,900			
CHF103	\$ 100		\$ 2,600			
CMC003	\$ 1,400		\$ 7,100			
CMF103						
CSQ004			\$ 2,900			
CSQ104	\$ 300		\$11,200			
CTS002	\$ 100					
CTS105	\$ 200					
CVI002	\$ 800					
CVI003	\$ 1,500	\$ 700			\$ 700	
GSD005			\$78,700			
GSD71710			\$52,900		\$52,900	
GSD71714	\$ 600			\$ 3,900		
GSD71715						
GSD71716			\$21,900		\$21,900	
GSD71717	\$ 400		\$12,200		\$12,200	
GSD71718	\$ 500					
GSD71750			\$ 9,500			
HAG203			\$ 4,400			
HMT902			\$ 300			
HPA201		\$9,200				\$220,900**
HPO902						\$ 30,600**
HPO908						
HPC202	\$ 2,400	\$1,100				

MAR004	\$ 2,100	\$1,800		
MAR005	\$ 4,800			\$39,300
MV0012	\$12,500			\$47,900
MV0106			\$39,300	
MV0204			\$47,900	
MV0217			\$17,600	
PRD20304			\$14,800	
PRP005	\$ 300		\$ 600	
PRP107	\$ 7,100			
PRP108	\$ 200			
PRP212	\$ 400			
PRP213			\$ 3,400	
PRP215			\$ 4,300***	
PRP220	\$ 600			
PRP615				\$ 11,400
PRP62303	\$ 100			
PRP916			\$ 6,300	
PSB102				\$ 5,200**
PSB104	\$ 1,400			
PSP112	\$ 1,900			
PSB113			\$14,100	
PSP008				\$ 3,400
PSP009	\$ 300			
PSP205			\$15,300	
PSP20501	\$ 3,700			
PSP303			\$ 1,200***	
PSP612				\$ 12,300
PSP715				\$ 91,200**
RFG101	\$ 3,300			
RFH302			\$ 1,200	
RF0001	\$ 4,000			
RFH101	\$ 700			
VAV006	\$ 4,300			
VAV008	\$ 2,800			
VAV104	\$ 700			
VAV105	\$ 500			
VAV106	\$ 200			
VAV109	\$ 300			
VAV110	\$ 900			
YNC002	\$ < 100			
VS101	\$ 200			

\*The Legislature made one appropriation of \$376,000, and the Department of Finance allocated an additional \$5,500 to prepare a budget for projects AIS203, AIS204, and AIS206. However, the State Architect spent \$385,400 on these three projects, exceeding the appropriation and the amount allocated by \$3,900.

\*\*On these projects, the State approved contractors' claims for more money. Because the amounts awarded exceeded the funds available in the project workorder, the State Architect had to obtain a budget augmentation to pay the contractors' claims.

\*\*\*Although these projects indicate that the State Architect spent more than authorized at the working drawing phase, the State Architect did not prepare the working drawings for these projects. The Department of Finance authorized the State Architect to put the construction projects out to bid at the end of the working drawing phase. The State Architect spent more than authorized because of problems that developed during the bidding process.

cc: Members of the Legislature  
Office of the Governor  
Office of the Lieutenant Governor  
State Controller  
Legislative Analyst  
Assembly Office of Research  
Senate Office of Research  
Assembly Majority/Minority Consultants  
Senate Majority/Minority Consultants  
Capitol Press Corps